

**From:** "Betty Folliard" <bfolliard@strategypartners.biz> on 04/02/2004 10:00:35 AM  
**Subject:** Regulation BB - Community Reinvestment Act

Docket No. R-1181  
Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington DC 20551

Dear Officials of Federal Bank and Thrift Agencies:

I urge you to either substantially modify or withdraw the proposed changes to the Community Reinvestment Act (CRA) regulations. CRA has been instrumental in increasing access to homeownership, boosting economic development, and expanding small businesses in the nation's minority, immigrant, and low- and moderate-income communities. Your proposed changes are detrimental to the CRA statute because they will halt the progress made in community reinvestment.

The proposed CRA changes will have a reverse effect on the Administration's goals of improving the economic status of immigrants and creating 5.5 million new minority homeowners by the end of the decade. Instead, the proposed CRA changes will encourage predatory lending and reduce the ability of the general public to hold financial institutions accountable for compliance with consumer protection laws.

The proposed changes include three major elements: 1) provide streamlined and cursory exams for banks with assets between \$250 million and \$500 million; 2) establish a weak predatory lending compliance standard under CRA; and 3) expand data collection and reporting for small business and home lending. The beneficial impacts of the third proposal are overwhelmed by the damage imposed by the first two proposals. In addition, the federal banking agencies did not update procedures regarding affiliates and assessment areas in their proposal, and thus missed a vital opportunity to continue CRA's effectiveness.

Thank you for your attention to this critical matter.

Sincerely,  
Former State Representative Betty Folliard  
4220 Woodland Trail  
Golden Valley MN 55422

Cc:  
National Community Reinvestment Coalition  
President George W. Bush  
Treasury Secretary John W. Snow